

CERTIFICATE OF NEED

ADVISORY

Michigan Department of Community Health

CERTIFICATE OF NEED
Lewis Cass Building
320 S. Walnut St.
Lansing, Michigan 48913
(517) 241-3344 -Fax (517) 241-2962

Change of Ownership of Real Property

A change in the ownership of a building (real property), without a change in the licensee that provides health care services from that building and without a change in the lease terms to the licensee, such as no change in licensed use and no change in the terms of the lease greater than that granted in the most current CON approving the lease terms for the health facility, as well as no change in bed capacity or physical plant structure, does not require a certificate of need.

Section 22209 of the Public Health Code, 1978 PA 368, as amended, MCL 333.1101 et seq; MSA 14.15(1101) et seq, requires the issuance of a certificate of need prior to the acquisition of a health facility. While a building is a significant part of most types of health facilities, such as a nursing home, it is not itself the licensed health facility. A licensee, which must obtain a certificate of need, is the business entity that operates a health facility. That licensee may own or lease its building. If it leases the building, and only the landlord changes, no Certificate of Need is needed for that change in landlord.

Please note that any change in licensee does require Certificate of Need review/approval. The Department will request as part of an application identification of the current landlord, if applicable, and a draft lease agreement.